

METROPOLITAN TRANSIT COMMISSION
Meeting Summary
January 28, 2009
DISCUSSION SUMMARY

Presiding: Mayor Patrick McCrory (Charlotte)

Present: Lee Myers (Mayor, Town of Matthews)
Curt Walton (Charlotte City Manager)
Jennifer Roberts (Chair, Mecklenburg County Commission)
John Woods (Mayor, Town of Davidson)
Brian Welch (Town Manager, Town of Mint Hill)
Marion Cowell (NCDOT Representative)
Mike Rose (Town Administrator, Town of Pineville)
Jerry Fox (Co-Chair, Citizens Transit Advisory Group)
Harry Jones (Mecklenburg County Manager)
Greg Ferguson (Town Manager, Town of Huntersville)

CHIEF EXECUTIVE OFFICER: Keith Parker

I. Call to Order

The regular meeting of the Metropolitan Transit Commission was called to order at 5:37 p.m. by MTC Chairperson, Mayor Patrick McCrory.

II. Approval of the December 17, 2008 Meeting Summary

The December 17, 2008 meeting summary was approved as written.

III. Transit Services Advisory Committee Chairman's Report

Jim Zingale gave the report from the January 8, 2009 meeting. The committee heard public comments on the service changes for bus routes and for the Gold Rush line. The Committee unanimously endorsed staff's recommendations for the March 2009 service change.

IV. Citizens Transit Advisory Group Chairman's Report

Keith Parker gave the report for the January 27, 2009 meeting. The group received updates on the FY10 and FY11 Transit Program, the North Corridor Commuter Rail Line, and –the Job Access Reverse Commute (JARC) and New Freedom Projects.

V. Public Comment on Agenda Items

No public comment at tonight's meeting.

VI. Information Items

A. FY2010 & FY2011 Transit Program

Dee Pereira provided information on the mid-year FY09 budget and the proposed FY10 & FY11 budgets. Staff updated MTC on growth patterns, the next fare increase and the decline in sales tax revenue.

The sales tax for FY09 is projected to decline by 6 percent vs. actual FY2008, then decline by another 2 percent in FY10, followed by a 4 percent increase in FY11. Mayor McCrory commented that the + 4 percent projection in FY11 was optimistic considering the current economic situation. If the projection holds, FY11 sales tax revenue will be equal to FY09 revenue.

Operating income is down \$7.2 million due to the decline in the projected sales tax. The operating expenses have been reduced to \$106.2 million. The operating balance shows an increase of \$1.2 million. Capital income has not changed and the numbers are still on track. Capital expenses have been reduced by \$13 million.

A Fund Balance Draw was added to the FY10-11 budgets. A draw of \$10 million is placed in this category from the Fund Balance as a contingency fund, providing more financial stability for any adverse issues that would affect the budget. Ms. Pereira added that City of Charlotte Finance staff recommends having this reserve as a contingency for a down year. Rating and loan agencies look favorably on this type of reserve for stability in continuance of operations. It was clarified that at the end of the year all unused portions of the Operating Income reserve would be returned to the Fund Balance.

Operating revenue for FY10 is projected to be + 7.5 percent and + 5.2 percent for FY11. There will be another fare increase in FY11. Operating Balance is \$27.1 million for FY10. Looking at the sales tax estimates in the November 2006 long term plan, the FY09 adopted budget and the current forecast, the current gap in sales tax revenue is \$252 million over the next ten years.

Expense growth is up 4.5 percent over the FY09 projection due to inventory build up for Light Rail. Mayor McCrory asked if there was a planning process involved for inventory management. Jim Zingale responded that the plan was being implemented as current warranty periods expire on equipment items and inventory with long procurement lead times. Twenty-five vacant positions are frozen for two years. BOD has approximately the same number of positions (contract positions) frozen.

Fuel expense is nine percent of the budget and the current budget has fuel at \$2.45 a gallon.

Ridership is now 2.5 million additional customers for all services. Mr. Parker commented that the employment figures would affect the ridership negatively as layoffs occur.

Mayor McCrory asked for clarification on the Sales Tax Growth vs. 2030 Plan. Mr. Parker said after 9/11, sales taxes dropped dramatically then increased dramatically in subsequent years. However, this recession is tougher. Sales tax was up 7 percent in October 2008 as compared to October 2007. Sales tax was down 26 percent in November 2008 as compared to November 2007. The low revenue in November could be an anomaly. The December figures will give a better picture.

The Five-Year Capital Program revenue is projected to be \$358.3 million with \$201.1 million in reliable funds, \$157.2 million in hopeful funds. The Five-Year Funded request includes the Northeast Corridor, a revised fleet plan for replacement of bus and vanpool vans, Park and Ride -lots, and a grant funded project for safety and technology.

Five-year unfunded request includes the North Corridor, streetcar, STS Facility/Davidson Garage, Transit Centers, Southeast Corridor Contribution to NCDOT, additional TVMs, technology enhancements and asset maintenance. The North Corridor, STS Facility/Davidson Garage and Transit Centers are included in the Stimulus Package Request.

Mayor McCrory asked why the streetcar was not included in the Stimulus request. Mr. Parker explained that the projects for the Stimulus Package are to be “shovel ready” to be eligible for this funding. The streetcar project did not fall into this category. The STS Facility/Davidson Garage project is estimated at \$30 million and the CTC project is \$15 million.

John Woods asked why the North Corridor is unfunded and the Northeast Corridor is funded. Mr. Parker explained that the Northeast is still under preliminary engineering whereas the North Corridor will complete preliminary engineering during the current fiscal year.

The outstanding debt for FY2009 is \$178.3 million. Currently, there are no plans for budgeting new debts.

Mr. Fox expressed concerns regarding the draw of \$10 million from the fund balance during FY10 and FY11 because the FY12 budget would have a \$10 million shortfall. Jennifer Roberts asked what will be the strategy if CATS does not receive the requested stimulus money. Mr. Parker responded that aforementioned funded projects would move forward, but the North Corridor would be put on hold.

B. LYNX Blue Line Extension: Northeast Corridor

Danny Rogers gave an update on the Northeast Corridor. Changes made to the original plans include stations with easier access, refinements to stations for safety, and name changes to better identify the area and locations. Longer platforms (300 feet) will be needed as well as an increase in train frequency and parking capacity. More grade separations are needed to eliminate safety hazards for commuters who would need to cross freight tracks to get to rail stations.

Harris Boulevard at Tryon Street is an extremely busy intersection that may need a grade separation for speed and safety. The UNC-Charlotte entrance grade separation will go under North Tryon Street. JM Keynes, JW Clay Station and the NCR alignment are included in the grade separation proposals. There are now 13 stations versus the previous 14 stations proposed. The economic impacts of the NCR alignment and the Sugar Creek Alternative are approximately the same, though more land acquisitions is required for the Sugar Creek Alternative to be more accessible to area businesses. Due to cost and other factors, the NCR alignment has been selected.

Discussion

Mayor McCrory asked if the extension would continue to be called the Blue Line. Jennifer Roberts added that having a rail station at the entrance of UNC-Charlotte would be beneficial. Mayor McCrory asked if the project had points built into it where the project could be stopped if it was determined not to be cost effective. Mr. Parker said yes.

C. March 2009 Service Adjustments

Larry Kopf gave an update on the service adjustments to be implemented in March. There were 12 public meetings with a total of 199 participants. In response to the suggestions, some changes will be made to the original proposal. Some of those changes include the #12 South Boulevard, #36 Midtown, and #15 Randolph Road which will now terminate service south of Sharon Amity. The North Meck Village rider service - will continue to provide Sunday service until June 2009. If ridership does not average 10 passengers per trip, the Sunday service will be discontinued. The Gold Rush Red Line will end service at 6:00 pm and no longer go into the Double Tree stop. Riders will need to use the Trade Street stop.

Discussion

Mr. Parker expressed appreciation to Larry and his staff for the hours and diligence in preparing and presenting these service reductions to the public.

VII. Chief Executive officer's Report

Keith Parker

Under the CEO's Report, the following items were discussed.

A. LYNX Blue Line Extension: North Corridor

David Carol gave an update on the North Corridor. The designs of the stations are about 30 percent complete. The task order (handout) maps the key areas of work. Norfolk Southern Railroad is willing to do most of the work on the rail lines. The Charlotte Terminal area is at the Gateway Station. The building designs will include feedback with Johnson & Wells University. There are 40 grade crossings to upgrade and can begin when funding is received. A Federal mandate was passed concerning "Positive Train Control." The device is a safety measure that will automatically engage the train's brake system when a red signal is ignored. Norfolk Southern will do the work of upgrading the track lines. The preliminary engineering for this work is 90 percent complete. The

design cost is \$8.5 million. In 2006, nine developers were interested in developing property in and around the rail line. In December 2008, all stations have developers. Since 2006, there has been a 25 percent inflation increase in cost. The new cost estimate will be completed in February 2009 to be presented in March 2009. The project will support thousands of new jobs.

Discussion

Marion Cowell asked if the rail line was being shared. Mr. Carol stated that the line is used once a day at night for freight. LYNX would utilize the line during the day hours. Mr. Carol stated that the contract would clarify the specifics of the rail line usage between Norfolk Southern and CATS.

John Woods asked what portion of the total cost was used to get started. Mr. Carol said that would depend on the MTC decision. Mr. Parker added that if no funding from the Stimulus was forthcoming then New Starts is the next option. Mr. Woods questioned how the Stimulus Package would be allocated. It is understood that the money would go to the state and then the state would distribute. Mr. Cowell stated that DOT is expecting money to come directly to DOT, however, the funding is subject to the equity formula. Mr. Parker added that transit is not in the equity formula.

B. Ridership:

Ridership is still holding steady.

C. MTC Meetings

The calendar for upcoming meetings is included in the agenda.

VIII. Adjourn

The meeting was adjourned at 7:15 p.m. by Mayor Pat McCrory.

NEXT MTC MEETING WILL BE WEDNESDAY, FEBRUARY 25, 2009, 5:30 P.M.